



## Fact Sheet

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Foreign Agricultural Service  
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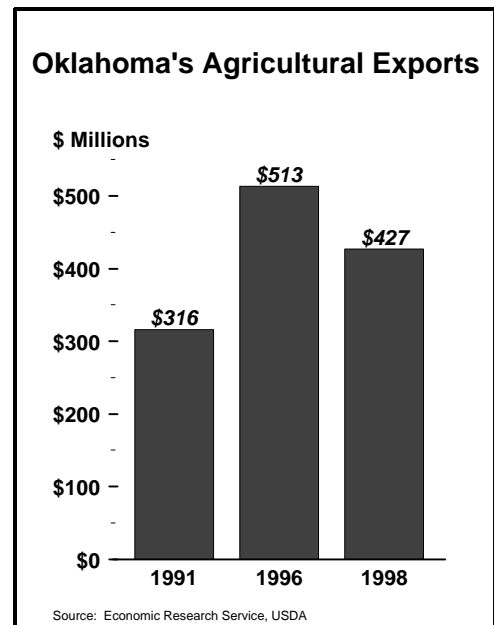
### *Permanent Normal Trade Relations with China* **What's at Stake for Oklahoma?**

Oklahoma produces agricultural goods that are exported worldwide. In 1998, the state's farm cash receipts totaled \$3.9 billion. As for exports, the value of agricultural products leaving the state was estimated at \$427 million in 1998. These exports help boost farm prices and income, while supporting jobs both on the farm and off the farm in food processing, storage, and transportation.

#### **Trade Benefits**

The following key products are important to Oklahoma, and expected to reap some of the largest export gains from China's accession to the World Trade Organization (WTO).

**# Wheat**—As an important wheat grower, Oklahoma's wheat and product exports worldwide were estimated at \$212 million in 1998. China's grain policies are becoming more market-oriented and its WTO accession commitments will speed up this process, opening up real long-term opportunities for foreign suppliers. China committed to a nominal 1-percent tariff on all grains imported within a tariff-rate quota (TRQ). The TRQ on wheat will be initially set at 7.3 million metric tons and grow to 9.6 million metric tons by 2004. As a result of the 1999 U.S.-China bilateral agreement, China also agreed to import wheat and other grains from the Pacific Northwest. In 1998, China imported less than 2 million metric tons of wheat from all countries.



**# Poultry Meat**—Oklahoma's poultry and product exports worldwide were estimated at \$51 million in 1998. With imports accounting for 12 percent of total consumption, China is already the second leading market for U.S. poultry exports. Under its WTO accession agreement, China will cut its tariff in half (from 20 percent to 10 percent) by 2004 for frozen poultry cuts. There will be no quantity limits at these tariff levels. As a result of the 1999 U.S.-China bilateral agreement, China agreed to accept all poultry meat from the United States that is certified wholesome by USDA.

**# Beef**—A large portion of Oklahoma's farm cash receipts come from the cattle industry. China currently imports very little beef, but income growth and rising demand from urban centers are expected to result in significantly increased demand for imports. Under its WTO accession agreement, China will lower its tariff from 45 percent to 12 percent on frozen beef and from 45 percent to 25 percent on chilled beef by 2004. Tariffs on variety meats will be lowered from 20 percent to 12 percent. There will be no quantity limits at these tariff levels. As a result of the

1999 U.S.-China bilateral agreement, China agreed to accept all beef from the United States that is accompanied by a USDA certificate of wholesomeness.